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June 18, 2002

FCC/MELLON

JUN 18 2002

VIA COURIER

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
Wireline Competition Bureau
P.O. Box 358145
Pittsburgh, PA 15251-5145

Re: Application of McLeodUSA Incorporated and PrairieWave Communications, Inc.
for Section 214 Authority to Transfer Control of Certain Domestic Interstate
Common Carriers (and of an Authorized U.S. International Common Carrier and
to Expand an Existing International Section 214 Authorization to Include Global
Facilities-based and Global Resale Authority)

Dear Ms. Dortch:

On behalf of McLeodUSA Incorporated ("McLeodUSA") and PrairieWave Communications, Inc. ("PrairieWave") (together "Applicants"), please find an original and six (6) copies of an application for Commission approval to transfer control of McLeodUSA's wholly owned subsidiaries, Dakota Community Telephone, Inc. and McLeodUSA Telecom Development, Inc., each a domestic interstate communications common carrier, to PrairieWave. Also enclosed is a check in the amount of \$815.00, payable to the FCC, which satisfies the filing fee required for this application under line 2.b. of Section 1.1105 of the Commission's rules. Please date-stamp the enclosed extra copy of this filing and return it in the envelope provided.

Pursuant to Section 63.04(b) of the Commission's rules, Applicants submit this filing as a combined international section 214 transfer of control application and domestic section 214 transfer of control application ("Combined Application").¹ Applicants are simultaneously filing the Combined Application with the International Bureau, in accordance with the Commission's rules.

¹ With respect to the international Section 214 application, Applicants seek Commission approval to transfer control of McLeodUSA Community Telephone, Inc. ("MCT"), an authorized U.S. international communications common carrier, to PrairieWave, and to expand the international Section 214 authorization currently held by MCT to include global facilities-based and global resale authority.

Ms. Marlene H. Dortch, Secretary
June 18, 2002
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Please direct any questions regarding this filing to the undersigned.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Grace R. Chiu', with a stylized flourish at the end.

Grace R. Chiu

Counsel for Applicants

Enclosures

cc: William P. Heaston (McLeodUSA)
Craig A. Anderson (PrairieWave)
Andrew D. Lipman (w/o encl)

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of the Application of)
)
)

McLEODUSA INCORPORATED)
)
)

and)
)
)

PRAIRIEWAVE COMMUNICATIONS, INC.)
)
)

File No. ITC-214-_____

For Authority Pursuant to Section 214 of the)
Communications Act of 1934, as Amended)
To Transfer Control of an Authorized U.S.)
International Communications Common Carrier)
and Certain Domestic Interstate Communications)
Common Carriers, and to Expand an Existing)
International Section 214 Authorization to Include)
Global Facilities-Based Authority and Global)
Resale Authority)

File No. ITC-T/C-_____

WCB Docket No. 02- 187

APPLICATION

I. INTRODUCTION

McLeodUSA Incorporated ("McLeodUSA"), by its undersigned counsel, hereby requests authority pursuant to Section 214 of the Communications Act of 1934, as amended,¹ and Sections 63.04 and 63.18(e)(3) of the Commission's rules,² to transfer control of its indirect, wholly owned subsidiaries, McLeodUSA Community Telephone, Inc.,³ Dakota Community Telephone, Inc.,⁴ and McLeodUSA Telecom Development, Inc.⁵ (MCT, DCT, and MTDI,

¹ 47 U.S.C. § 214 (the "Act").

² 47 C.F.R. §§ 63.04, and 63.18(e)(3).

³ McLeodUSA Community Telephone, Inc. ("MCT") holds international Section 214 authorization to resell international public switched services between the United States and international points.

⁴ Dakota Community Telephone, Inc. ("DCT") is an independent local exchange carrier that provides domestic interstate telecommunications services within various exchanges in South Dakota.

collectively, the "Subsidiaries"), to PrairieWave Communications, Inc. ("PrairieWave") (McLeodUSA, PrairieWave, and MCT, collectively, "Applicants"). PrairieWave is a newly formed privately held Delaware corporation whose principal business is telecommunications.

In addition, MCT requests authority pursuant to Section 214 of the Act and Sections 63.18(e)(1) and (e)(2) of the Commission's rules,⁶ to expand the international Section 214 authorization it currently holds, to include global facilities-based authority and global resale authority to operate as a common carrier of communications services between the United States and international points.

II. SUMMARY OF THE TRANSFER OF CONTROL TRANSACTION

Pursuant to a stock purchase agreement entered into between McLeodUSA and PrairieWave, PrairieWave will acquire 100 percent of the capital stock of MCT, which is the parent company of DCT, and 100 percent of the capital stock of MTDI. As a result of the stock purchase, PrairieWave will acquire control of MCT, DCT, and MTDI. Immediately following the acquisition, PrairieWave will contribute 100 percent of the capital stock of MTDI to MCT, as a result of which MTDI will be direct subsidiary of MCT. Attached hereto as Exhibit A is an illustrative chart depicting the corporate structure of the parties prior to and immediately following consummation of the transaction.

⁵ McLeodUSA Telecom Development, Inc. ("MTDI") is a competitive local exchange carrier that provides domestic interstate telecommunications services in Iowa, Minnesota and South Dakota.

⁶ 47 C.F.R. §§ 63.18(e)(1) and (e)(2).

III. APPLICANTS' REQUESTS FOR SECTION 214 AUTHORITY QUALIFY FOR STREAMLINED TREATMENT UNDER SECTIONS 63.03 AND 63.12 OF THE COMMISSION'S RULES

For the reasons set forth below, Applicants respectfully submit that the requests for Section 214 authority set forth herein qualify for treatment under the Commission's streamlined procedures set forth in Sections 63.03 and 63.12 of the Commission's rules.

A. Request for Section 214 authority pursuant to Section 63.18(e)(3) to transfer control of MCT to PrairieWave

PrairieWave, the transferee, asserts that it has no affiliation with, and itself is not, a foreign carrier in any country where it intends to provide service nor is PrairieWave affiliated with a dominant U.S. carrier whose international switched or private line services PrairieWave seeks authority to resell. PrairieWave further asserts that it does not seek authority to provide switched basic services over private lines to a country for which the Commission has not previously authorized the provision of such services. PrairieWave therefore qualifies for a presumption of non-dominance under Section 63.10(a)(1) of the Commission's rules.⁷

Applicants' request for Section 214 authority pursuant to Section 63.18(e)(3) therefore qualifies for streamlined processing pursuant to Section 63.12 of the Commission's rules.

B. Request for Section 214 authority pursuant to Section 63.04 to transfer control of DCT and MTDI to PrairieWave

Applicants submit that PrairieWave, the transferee, is not a telecommunications provider and that neither McLeodUSA nor PrairieWave, nor any of their respective affiliates, is dominant with respect to any service. Accordingly, Applicants' request for Section 214 authority pursuant to Section 63.04 presumptively qualifies for streamlined processing pursuant to Section 63.03 of the Commission's rules.

⁷ 47 C.F.R. § 63.10(a)(1).

C. Request for Section 214 authority pursuant to Sections 63.18(e)(1) and (e)(2) to expand the scope of MCT's existing Section 214 authorization to include global facilities-based authority and global resale authority

McLeodUSA asserts that MCT has no affiliation with, and itself is not, a foreign carrier in any country where it intends to provide service nor is MCT affiliated with a dominant U.S. carrier whose international switched or private line services MCT seeks authority to resell. McLeodUSA further asserts that MCT does not seek authority to provide switched basic services over private lines to a country for which the Commission has not previously authorized the provision of such services. MCT therefore qualifies for a presumption of non-dominance under Section 63.10(a)(1) of the Commission's rules.⁸

MCT's request for Section 214 authority pursuant to Section 63.18(e)(1) and (e)(2) therefore qualifies for streamlined processing pursuant to Section 63.12 of the Commission's rules.

IV. INFORMATION REQUIRED UNDER SECTION 63.04 AND UNDER SECTIONS 63.18(e)(1) THROUGH (e)(3)

Applicants submit the following information in support of their requests for Section 214 authority pursuant to Sections 63.04 and 63.18(e)(1) through (e)(3) of the Commission's rules.

(a) Name, Address and Telephone Number of Each Applicant

Transferor: McLeodUSA Incorporated
McLeodUSA Technology Park
6400 C Street, SW
Cedar Rapids, Iowa 52406-3177
Tel: (319) 790-6823

Transferee: PrairieWave Communications, Inc.
5100 S. McLeod Lane
Sioux Falls, South Dakota 57108
Tel: (605) 965-9393

⁸ *Id.*

Licensees: Carrier Holding International Section 214 Authorization

McLeodUSA Community Telephone, Inc.
5100 S. McLeod Lane
Sioux Falls, South Dakota 57108
Tel: (605) 965-9359

Carriers Holding Domestic Interstate Section 214 Authorization

Dakota Community Telephone, Inc.
5100 S. McLeod Lane
Sioux Falls, South Dakota 57108

McLeodUSA Telecom Development, Inc.
29705 453rd Avenue
Irene, South Dakota 57307

(b) State of Organization

Transferor: Transferor is organized under the laws of the State of Delaware.

Transferee: Transferee is organized under the laws of the State of Delaware.

Licensees: MCT is organized under the laws of the State of Delaware. DCT and MTDI are each organized under the laws of the State of South Dakota.

(c) Contact Person for this Application

Correspondence and communications concerning this Application should be directed to:

Grace R. Chiu
Swidler Berlin Shereff Friedman, LLP
3000 K Street, N.W., Suite 300
Washington, D.C. 20007
Tel: (202) 424-7500
Fax: (202) 424-7645
Email: grchiu@swidlaw.com

(d) Section 214 Authorization

Transferor: McLeodUSA has not previously received authority under Section 214 of the Act.

Transferee: PrairieWave has not previously received authority under Section 214 of the Act.

Licensees: MCT is authorized to resell international public switched services pursuant to Section 214 authorization granted by the Commission in File No. ITC-94-394, Rep. No. I-7031 (Sept. 1, 1994).

DCT is authorized to provide domestic interstate common carrier services pursuant to blanket authority under Section 63.01 of the Commission's rules. DCT has not previously received international Section 214 authorization.

MTDI is authorized to provide domestic interstate common carrier services pursuant to blanket authority under Section 63.01 of the Commission's rules. MTDI has not previously received international Section 214 authorization.

- (e) By this Application, Applicants request Section 214 authority to:
- (1) Transfer control of MCT, a common carrier holding international Section 214 authorization, to PrairieWave, pursuant to Section 63.18(e)(3) of the Commission's rules;
 - (2) Transfer control of DCT and MTDI, each a common carrier holding domestic interstate Section 214 authorization, to PrairieWave, pursuant to Section 63.04 of the Commission's rules; and
 - (3) Expand the scope of MCT's existing international Section 214 authorization to include global facilities-based authority pursuant to Section 63.18(e)(1) and global resale authority pursuant to Section 63.18(e)(2). MCT requests such authorization for all international routes authorized by the Commission. MCT certifies that it will comply with the terms and conditions contained in Sections 63.21 and 63.22 of the Commission's rules.
- (f) As detailed in paragraph (e), above, Applicants seek Section 214 authority pursuant to paragraphs (e)(1) through (e)(3) of Section 63.18 of the Commission's rules. Applicants also seek Section 214 authority pursuant to Section 63.04.
- (g) Not applicable. Applicants do not seek Section 214 authority pursuant to paragraph (e)(4) of the Commission's rules.
- (h) **Application for Section 214 Authority to Transfer Control Pursuant to Section 63.18(e)(3).** At closing, the following entities will directly or indirectly own ten percent (10%) or more of the equity of PrairieWave:

- (1) Name: Alta Communications VIII, L.P. ("Alta")
 Address: 200 Clarendon Street, 51st Floor
 Boston, Massachusetts 02116
 Citizenship: USA
 Percentage Owned: 40%
 Principal Business: Investment

The sole general partner of **Alta** is:

Name: Alta Communications VIII Managers, LLC
 ("Alta GP")
Address: 200 Clarendon Street, 51st Floor
 Boston, Massachusetts 02116
Citizenship: USA
Principal Business: Investment

The managing members of **Alta GP** are:

Name: Brian McNeill, Tim Dibble
Address: 200 Clarendon Street, 51st Floor
 Boston, Massachusetts 02116
Citizenship: USA
Principal Business: Individuals

- (2) Name: BancAmerica Capital Investors SBIC I, L.P.
 ("BACI")
Address: 100 N. Tryon Street, 25th Floor
 Charlotte, North Carolina 28255
Citizenship: USA
Percentage Owned: 45.1%
Principal Business: Investment

a. The sole general partner of **BACI** is:

Name: BancAmerica Capital Management SBIC I, LLC
 ("BACI GP")
Address: 100 N. Tryon Street, 25th Floor
 Charlotte, North Carolina 28255
Citizenship: USA
Principal Business: Investment

The sole manager of **BACI GP** is:

Name: BancAmerica Capital Management I, L.P.
("BACM I")
Address: 100 N. Tryon Street, 25th Floor
Charlotte, North Carolina 28255
Citizenship: USA
Principal Business: Investment

The sole general partner of **BACM I** is:

Name: BACM I GP, LLC ("BACM")
Address: 100 N. Tryon Street, 25th Floor
Charlotte, North Carolina 28255
Citizenship: USA
Principal Business: Investment

The sole managing member of **BACM** is as follows:

Name: Walter W. Walker, Jr.
Address: 100 N. Tryon Street, 25th Floor
Charlotte, North Carolina 28255
Citizenship: USA
Principal Business: Individual

b. The sole limited partner of **BACI** is as follows:

Name: BancAmerica Capital Holdings I, L.P. ("BACH")
Address: 100 N. Tryon Street, 25th Floor
Charlotte, North Carolina 28255
Citizenship: USA
Percentage Owned: 100%
Principal Business: Investment

c. The sole general partner of **BACH** is:

Name: BancAmerica Capital Management I, L.P.
("BACM I")
Address: 100 N. Tryon Street, 25th Floor
Charlotte, North Carolina 28255
Citizenship: USA
Principal Business: Investment

The sole general partner of **BACM I** is:

Name: BACM I GP, LLC ("BACM")
Address: 100 N. Tryon Street, 25th Floor
Charlotte, North Carolina 28255
Citizenship: USA
Principal Business: Investment

The sole managing member of **BACM** is as follows:

Name: Walter W. Walker, Jr.
Address: 100 N. Tryon Street, 25th Floor
Charlotte, North Carolina 28255
Citizenship: USA
Principal Business: Individual

d. The following entities hold limited partnership interests in **BACH**:

Name: BA SBIC Sub, Inc. ("BA SBIC Sub")
Address: 100 N. Tryon Street, 25th Floor
Charlotte, North Carolina 28255
Citizenship: USA
Percentage Owned: 74.6%
Principal Business: Investment

Name: BancAmerica Co-Invest Fund 2002, L.P. ("BACF")
Address: 100 N. Tryon Street, 25th Floor
Charlotte, North Carolina 28255
Citizenship: USA
Percentage Owned: 24.9%
Principal Business: Investment

e. The following entity owns 100% of **BA SBIC Sub**:

Name: Bank of America, N.A. ("BANA")
Address: 100 N. Tryon Street, 25th Floor
Charlotte, North Carolina 28255
Citizenship: USA
Percentage Owned: 100%
Principal Business: Banking

The following entity owns 100% of **BANA**:

Name: Bank of America Corporation ("BA Corp.")
Address: 100 N. Tryon Street, 25th Floor
Charlotte, North Carolina 28255
Citizenship: USA
Percentage Owned: 100%
Principal Business: Financial holding company

No shareholder of BA Corp. directly or indirectly owns ten percent (10%) or more of the equity of PrairieWave.

f. The sole general partner of **BACF** is:

Name: BA Coinvest GP, Inc. ("BAC GP")
Address: 100 N. Tryon Street, 25th Floor
Charlotte, North Carolina 28255
Citizenship: USA
Principal Business: Investment

The following entity owns 100% of **BAC GP**:

Name: Bank of America Corporation ("BA Corp.")
Address: 100 N. Tryon Street, 25th Floor
Charlotte, North Carolina 28255
Citizenship: USA
Percentage Owned: 100%
Principal Business: Financial holding company

No shareholder of BA Corp. directly or indirectly owns ten percent (10%) or more of the equity of PrairieWave.

No other person or entity directly or indirectly owns ten percent (10%) or more of the equity of PrairieWave.

PrairieWave currently has no interlocking directorates with a foreign carrier and following closing will not have any interlocking directorates with a foreign carrier.

Application for Section 214 Authority to Provide Global Facilities-Based and Global Resale Communications Services Pursuant to Section 63.18(e)(1) and (e)(2). The entities identified in Exhibit B, attached hereto, currently directly or indirectly own ten percent (10%) or more of the equity of MCT. Immediately following the transfer of control, however, MCT will be owned by the entities listed in section IV.(h), above, of this Application.

- (i) PrairieWave certifies for itself and McLeodUSA certifies for MCT that it is not a foreign carrier and that it is not currently affiliated with any foreign carrier.
- (j) PrairieWave certifies for itself and McLeodUSA certifies for MCT that it does not seek to provide international telecommunications services to any destination country for which any of the statements set forth in paragraphs (j)(1)-(4) of Section 63.18 of the Commission's Rules is true.
- (k) Not applicable.
- (l) Not applicable.
- (m) Not applicable.
- (n) PrairieWave certifies that it has not agreed to accept special concessions, as defined in Section 63.14(b) of the Commission's Rules, directly or indirectly, from any foreign carrier with respect to any U.S. international route where the foreign carrier possesses market power on the foreign end of the route, and will not enter into such agreements in the future.

McLeodUSA certifies for MCT that MCT has not agreed to accept special concessions, as defined in Section 63.14(b) of the Commission's Rules, directly or indirectly, from any foreign carrier with respect to any U.S. international route where the foreign carrier possesses market power on the foreign end of the route, and will not enter into such agreements in the future.

- (o) PrairieWave certifies for itself and McLeodUSA certifies for MCT pursuant to Sections 1.2001 through 1.2003 of the Commission's rules that it is not subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 3301.
- (p) PrairieWave submits that the Application for Section 214 authority to acquire control of MCT, an authorized international carrier, qualifies for streamlined processing pursuant to Section 63.12 of the Commission's rules because PrairieWave is not affiliated with either a foreign carrier or a dominant U.S. carrier whose international switched or private line services PrairieWave seeks authority to resell, and PrairieWave does not seek authority to provide switched basic services over private lines to a country for which the Commission has not previously authorized the provision of such services over private lines.

MCT submits that the Application for Section 214 authority to expand its existing Section 214 authorization qualifies for streamlined processing pursuant to Section 63.12 of the Commission's rules because MCT is not affiliated with either a foreign carrier or a dominant U.S. carrier whose international switched or private line services MCT seeks authority to resell, and MCT does not seek authority to provide switched basic services over private lines to a country for which the

Commission has not previously authorized the provision of such services over private lines.

V. ADDITIONAL INFORMATION REQUIRED UNDER SECTION 63.04

With respect to Applicants' request pursuant to Section 63.04 of the Commission's rules for domestic Section 214 authority to transfer control of DCT and MTDI, attached hereto as **Attachment 1** is the additional information required under paragraphs (a)(6) through (a)(12) of Section 63.04 of the Commission's rules.

VI. CONCLUSION

Wherefore, for the reasons stated herein, Applicants respectfully submit that the public interest, convenience and necessity would be furthered by grant of this Application for Section 214 authority to transfer of control of McLeodUSA Community Telephone, Inc., Dakota Community Telephone, Inc. and McLeodUSA Telecom Development, Inc. to PrairieWave Communications, Inc. and for Section 214 authority to expand the international Section 214 authorization MCT currently holds to include global facilities-based authority and global resale

authority to operate as a common carrier of communications services between the United States and international points.

Respectfully submitted,

McLEODUSA INCORPORATED
PRAIRIEWAVE COMMUNICATIONS, INC.
McLEODUSA COMMUNITY TELEPHONE, INC.



Grace R. Chiu
SWIDLER BERLIN SHEREFF FRIEDMAN, LLP
3000 K Street, N.W., Suite 300
Washington, DC 20007
Tel: (202) 424-7500
Fax: (202) 424-7645

Their Counsel

Dated: June 18, 2002

LIST OF EXHIBITS

- | | |
|---------------------|---|
| EXHIBIT A | Illustrative Chart |
| EXHIBIT B | Current Ownership of McLeodUSA Community Telephone, Inc.
(Prior to the transfer of control to PrairieWave) |
| ATTACHMENT 1 | Additional Information Required under Section 63.04(a)6 through
(a)(12) For the Domestic Interstate Portion of a Combined
International Section 214 and Domestic Section 214 Transfer of
Control Application |

Certification of PrairieWave Communications, Inc.

Certification of McLeodUSA Incorporated

EXHIBIT A

Illustrative Chart

EXHIBIT A

Illustrative Chart of Proposed Transfer of Control of the McLeodUSA Subsidiaries to PrairieWave

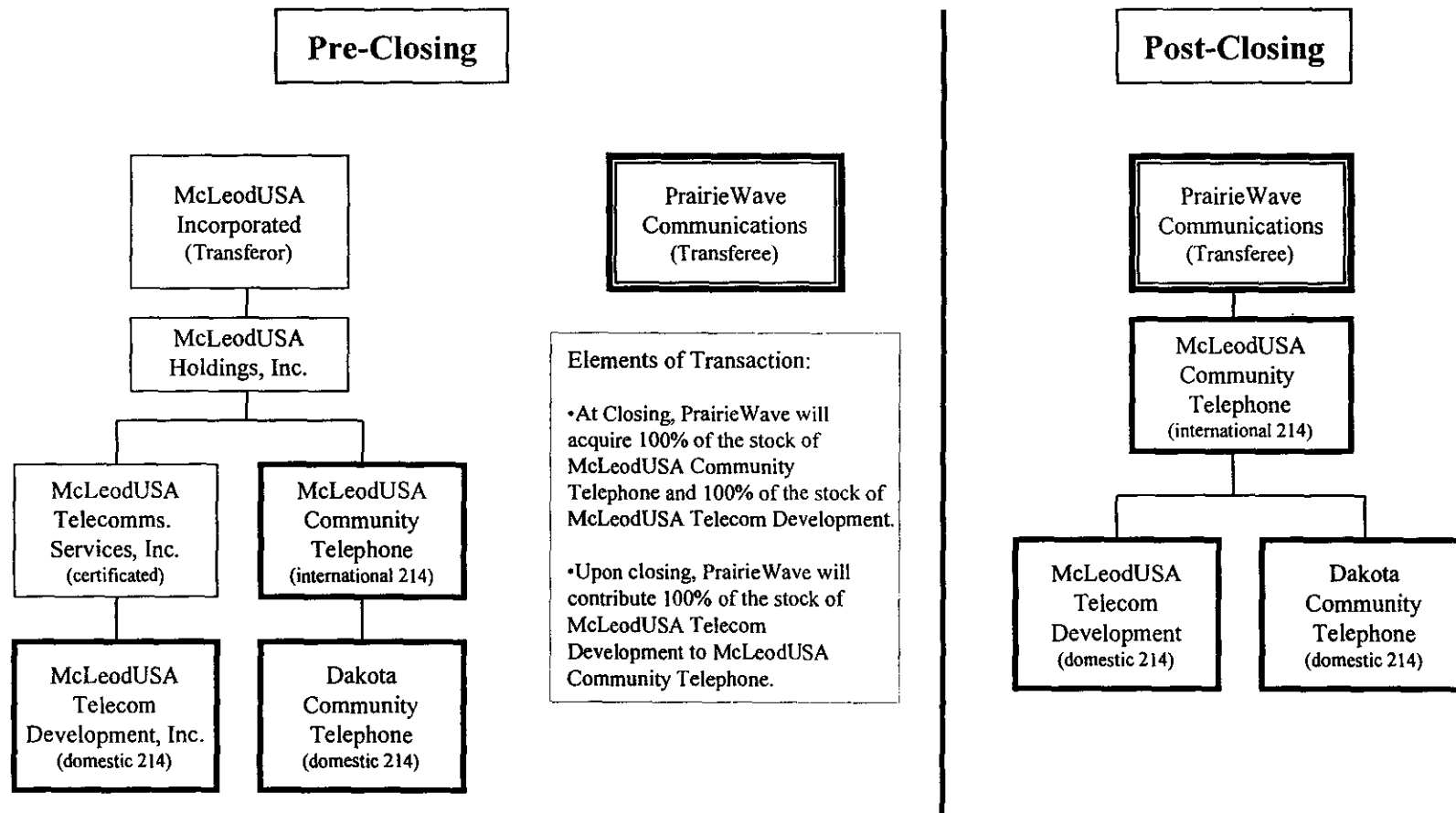


EXHIBIT B

**Current Ownership of
McLeodUSA Community Telephone, Inc.
(Prior to the transfer of control to PrairieWave)**

**Current Ownership of
McLeodUSA Community Telephone, Inc.
(Prior to the transfer of control to PrairieWave)**

The following entity owns 100% of McLeodUSA Community Telephone, Inc. ("MCT"):

Name:	McLeodUSA Holdings, Inc.
Address:	McLeodUSA Technology Park 6400 C Street, SW Cedar Rapids, Iowa 52406-3177
Citizenship:	USA
Percentage Owned:	100%
Principal Business:	Telecommunications

The following entity owns 100% of McLeodUSA Holdings, Inc.:

Name:	McLeodUSA Incorporated
Address:	McLeodUSA Technology Park 6400 C Street, SW Cedar Rapids, Iowa 52406-3177
Citizenship:	USA
Percentage Owned:	100%
Principal Business:	Telecommunications

The following entities directly or indirectly own ten percent (10%) or more of the equity of McLeodUSA Incorporated.

(a)	Name:	Forstmann Little & Co. Equity Partnership-V, L.P. ("Equity-V")
	Address:	767 Fifth Avenue New York, NY 10153
	Citizenship:	USA
	Percentage Owned:	11%
	Principal Business:	Investment

The sole general partner of Equity-V is:

Name:	FLC XXX Partnership, L.P. ("FLC XXX")
Address:	767 Fifth Avenue New York, NY 10153
Citizenship:	USA
Principal Business:	Investment

Current Ownership of MCT (cont'd):

The general partners of FLC XXX are:

Names: Theodore J. Forstmann, Sandra J. Horbach,
Thomas H. Lister and Winston W. Hutchins
Address: 767 Fifth Avenue
New York, NY 10153
Citizenship: USA
Principal Business: Investment

- (b) Name: Forstmann Little & Co. Subordinated Debt
and Equity Management Buyout Partnership-VII, L.P.
("MBO-VII")
Address: 767 Fifth Avenue
New York, NY 10153
Citizenship: USA
Percentage Owned: 17%
Principal Business: Investment

The sole general partner of MBO-VII is:

Name: FLC XXXIII Partnership, L.P. ("FLC XXXIII")
Address: 767 Fifth Avenue
New York, NY 10153
Citizenship: USA
Principal Business: Investment

The general partners of FLC XXXIII are:

Names: Theodore J. Forstmann, Sandra J. Horbach,
Thomas H. Lister, Winston W. Hutchins,
Jamie C. Nicholls and Gordon A. Holmes
Address: 767 Fifth Avenue
New York, NY 10153
Citizenship: All of the above individuals are citizens of the USA,
except Gordon A. Holmes who is a citizen of the
Republic of Ireland.
Principal Business: Individuals

Current Ownership of MCT (cont'd):

(c) Name: Forstmann Little & Co. Equity Partnership-VII, L.P.
 (“Equity-VII”)
 Address: 767 Fifth Avenue
 New York, NY 10153
 Citizenship: USA
 Percentage Owned: 14%
 Principal Business: Investment

The sole general partner of Equity-VII is:

Name: FLC XXXII Partnership, L.P. (“FLC XXXII”)
Address: 767 Fifth Avenue
 New York, NY 10153
Citizenship: USA
Principal Business: Investment

The general partners of FLC XXXII are:

Names: Theodore J. Forstmann, Sandra J. Horbach,
Thomas H. Lister, Winston W. Hutchins,
Jamie C. Nicholls and Gordon A. Holmes

Address: 767 Fifth Avenue
New York, NY 10153

Citizenship: All of the above individuals are citizens of the USA,
except Gordon A. Holmes who is a citizen of the
Republic of Ireland.

Principal Business: Individuals

No other person or entity directly or indirectly owns ten percent (10%) or more of the equity of MCT.

ATTACHMENT 1

Additional Information Required under Section 63.04(a)6 through (a)(12) For the Domestic Portion of a Combined International Section 214 and Domestic Section 214 Transfer of Control Application

- (a)(6) Description of the transaction. PrairieWave intends to acquire control of two of McLeodUSA's operating subsidiaries: Dakota Community Telephone, Inc. ("DCT") and McLeodUSA Telecom Development, Inc. ("MTDI"). DCT is an independent local exchange carrier that provides domestic interstate telecommunications services within various exchanges in South Dakota. MTDI is a competitive local exchange carrier that provides domestic interstate telecommunications services in Minnesota and South Dakota. Pursuant to a stock purchase agreement, PrairieWave will acquire 100 percent of the capital stock of McLeodUSA Community Telephone, Inc. ("MCT"),¹ which is the parent company of DCT, and 100 percent of the capital stock of MTDI.

Immediately following consummation of the transfer of control, PrairieWave will contribute 100 percent of the capital stock of MTDI to MCT, as a result of which MTDI will become a direct subsidiary of MCT. Attached to this Application as Exhibit A is an illustrative chart depicting the corporate structure of the parties prior to and following consummation of the transaction.

¹ MCT holds international Section 214 authorization to resell international public switched services between the United States and international points, but does not operate as a common carrier of international or domestic interstate telecommunications services.

(a)(7) Geographic Areas Served by Applicants and Their Affiliates.

Transferor: McLeodUSA provides through its operating subsidiaries integrated communications, including interstate services, primarily in 25 Midwest, Southwest, Northwest and Rocky Mountain states.²

Transferee: PrairieWave does not currently provide service in any geographic area.

Licensees: DCT provides local exchange service in South Dakota in the following exchanges: Alsen, Beresford Rural, Chancellor, Davis, Flyger, Gayville, Hurley, Irene, Lennox, Monroe, Parker, Volin, Wakonda, and Worthing.

MDTI provides local exchange service in Iowa in the following exchanges: Lakeside and Storm Lake; in Minnesota in the following exchanges: Adrian, Currie, Edgerton, Lake Wilson, Luverne, Marshall, Pipestone, Slayton, Tracy, and Worthington; and in South Dakota in the following exchanges: Canton, Centerville, Elk Point, Flandreau, Harrisburg, Madison, North Sioux City, Tea, Viborg, Watertown, and Yankton.

(a)(8) Presumptive Streamlined Treatment. Applicants submit that this Application

presumptively qualifies for the streamlined procedures provided in Section 63.03 of the Commission's rules because PrairieWave, the transferee, is not a telecommunications provider.

(a)(9) Related Applications. Concurrently with the filing of this Application, Applicants are filing an application for approval to transfer control of MCT, which holds a single private land mobile station license, and of MTDI, which holds three earth station licenses. No other Commission applications relate to the transactions that are the subject of this Application.

(a)(10) Special Consideration. Not applicable. Applicants are not requesting special consideration because a party to the transaction is facing imminent business failure.

² McLeodUSA's operating subsidiaries, excluding MCT and MTDI, include McLeodUSA Telecommunications Services, Inc., Illinois Consolidated Telephone Company, and McLeodUSA Public Services, Inc.

(a)(11) Waiver Requests. None.

(a)(12) Statement of Public Interest. Grant of this Application will serve the public interest, convenience and necessity by promoting competition among telecommunications carriers. Specifically, approval of the proposed transfer of control of the Subsidiaries to PrairieWave will enable a new entrant to establish a competitive presence in select geographic markets and to concentrate its resources and expertise upon expanding upon and developing innovative and diversified service offerings for consumers in these markets. These enhancements will inure directly to the benefit of existing customers of DCT and MTDI and consumers generally in the domestic telecommunications marketplaces these carriers serve.

Approval of the transfer of control will also enhance McLeodUSA's ability to strengthen its competitive position by implementing long-term growth plans in its core markets. The transfer of control will contribute to increasing McLeodUSA's operational flexibility and efficiency, as well as long-term financial viability.

The proposed transfer of control will therefore ensure the provision of innovative, high quality telecommunications services to the public and should promote competition in the U.S. domestic telecommunications service market.

CERTIFICATION

On behalf of McLeodUSA Incorporated and its indirect wholly owned subsidiary, McLeodUSA Community Telephone, Inc., I hereby certify that the statements in the foregoing Application for Section 214 Authority are true, complete, and correct to the best of my knowledge and are made in good faith.

McLeodUSA Incorporated

A handwritten signature in black ink, appearing to read 'David R. Conn', with a stylized flourish at the end.

By: David R. Conn

Vice President and Deputy General Counsel

June 12, 2002

CERTIFICATION

On behalf of PrairieWave Communications, Inc., I hereby certify that the statements in the foregoing Application for Section 214 Authority are true, complete, and correct to the best of my knowledge and are made in good faith.

PrairieWave Communications, Inc.

A handwritten signature in black ink, appearing to read "Craig A. Anderson". The signature is fluid and cursive, with the first name "Craig" being more prominent.

By: Craig A. Anderson

Chairman and Chief Executive Officer

June 12, 2002